

MARCH 2003 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>March 2003</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	(\$7,401,054)	\$1,232,584,587
Percent Change	75.8%	(3.9%)
Corporate Income Tax		
Net Collections	\$42,873,008	\$208,970,014
Percent Change	57.7%	4.6%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$238,596,840	\$2,252,934,987
Change	0.0%	1.9%
Total Big Three Tax Types		
Net Collections	\$274,068,794	\$3,694,489,588
Percent Change	16.5%	0.0%

TAX FACTS

March 2003

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	March 2003	March 2002	% Change
Gross Collections	\$26,043,526	\$22,392,673	16.3
Withholding	200,798,157	187,049,148	7.4
Refunds	(198,362,815)	(204,806,204)	(3.1)
Urban Revenue Sharing	(35,879,921)	(35,212,171)	1.9
Net Collections	(\$7,401,054)	(\$30,576,555)	75.8
	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$274,725,514	\$298,870,857	(8.1)
Withholding	1,733,865,337	1,754,142,285	(1.2)
Refunds	(453,086,974)	(453,491,200)	(0.1)
Urban Revenue Sharing	(322,919,289)	(316,463,219)	2.0
Net Collections	\$1,232,584,587	\$1,283,058,722	(3.9)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$500 in tax liability, there were no refunds issued. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	5,288	557,562	12,092	23,245	1	4,760	146,144	6,825	71,054	1,007	5	827,983
%	0.6	65.4	1.1	1.8	0.0	0.1	21.8	0.6	4.8	8.6	0.1	

The 827,983 returns, representing current and prior tax years, filed through March 2003 represents an increase of 5.0% over the March returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 799,302 returns have been filed, a 5.1% increase over filings in March 2002 for tax year 2001.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 634,338 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 1.0% increase in FAGI and an 4.2% decrease in tax liability. More specifically, 40.4% of these filers experienced a decrease in tax liability; on average a decrease of 32.0% with a corresponding average decrease in FAGI of 17.5%. Filers with an increase in tax liability totaled 284,635 or 44.9%, with an average FAGI increase of 17.3% and an average tax liability increase of 30.4%.

Average Individual Income Tax Refund

	Average	Number
2003 CYTD	\$501.30	715,212
2002 CYTD	\$516.62	726,560
% Change	(3.0%)	(1.6%)

"New" Filers in Calendar Year 2003

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 85,354 "new" returns have been filed thus far in 2003, representing approximately 101,793 persons, not including dependents. The average Federal Adjusted Gross Income for these 85,354 returns is \$16,143, with an average tax liability of \$180. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 18.7% had a married filing joint filing status, 5.6% claimed a 65 And Over Exemption and 49.6% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as a 2001 estimated payment, for an average of \$1,817. Estimated payments received through March 2003 for tax year 2002 were as follows:

03/03	140ES payment	\$66,845,993	Cumulative	\$294,664,820
03/02	140ES payment	\$805,912	Cumulative	\$334,701,818
	Percent change	N/A		(12.0%)
03/03	Average payment	\$1,777	Cumulative	\$1,534
03/02	Average payment	\$1,319	Cumulative	\$1,478
	Percent change	34.7%		3.8%
03/03	Applied refund	\$159,086	Cumulative	\$73,644,605
03/02	Applied refund	\$585,781	Cumulative	\$66,584,647
	Percent change	(72.8%)		10.6%
Total 03/03		\$67,005,079	Cumulative	\$368,309,425
Total 03/02		\$1,391,694	Cumulative	\$401,286,465
	Percent change	N/A		(8.2%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2002, \$561,286,152 was received for the first quarter of 2001. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2002, which shows a decrease of 3.0% in withholding payments over the first quarter of 2001. Growth in quarters for which information is still being gathered is as follows:

2 nd Quarter 2002	(2.6%)	4 th Quarter 2002	(2.1%)
3 rd Quarter 2002	(4.6%)	1 st Quarter 2003	3.7%

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	6,514	\$2,291,126	\$351.72
Calendar Year 2002	7,443	\$2,544,937	\$341.92
% Change	(12.5%)	(10.0%)	2.9%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	March 2003	Calendar Year Total
Check Off	\$730,045	\$1,232,224
Voluntary Donation	\$8,200	\$12,107
Number of Returns	100,865	174,957

Contributions on the Individual Income Tax Return

Through March 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	3,275	\$54,798	\$16.73
Child Abuse	4,033	\$68,155	\$16.90
Special Olympics	1,692	\$26,298	\$15.54
Neighbors Helping	966	\$11,780	\$12.19
AID to Education	180	\$10,442	\$58.01
Domestic Violence Shelter	2,679	\$45,956	\$17.15
Democratic Party	247	\$4,162	\$16.85
Republican Party	219	\$4,869	\$22.23
Libertarian Party	36	\$601	\$16.69

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	March 2003	March 2002	% Change
Gross Collections	\$52,912,894	\$35,243,355	50.1
Refunds	(\$10,039,885)	(\$8,062,277)	25.5
Net Collections	\$42,873,008	\$27,181,078	57.7

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$307,665,854	\$336,367,210	(8.5)
Refunds	(\$98,695,840)	(\$136,654,778)	(27.8)
Net Collections	\$208,970,014	\$199,712,432	4.6

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

March 2003	\$34,331,613	Calendar Year Total	\$54,240,644
March 2002	<u>\$28,737,158</u>	Calendar Year Total	<u>\$45,106,644</u>
% Change	19.5%	% Change	20.2%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for March 2003 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
March 2003	245	21	25	7	2	0	300	(6.0%)
March 2002	270	22	21	3	3	0	319	
CY 2003	426	40	39	12	7	0	524	(11.2%)
CY 2002	497	43	37	9	4	0	590	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	6.9%	5.5%	6.3%	72.4%	8.9%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

March 2003	\$24,572,886	Calendar Year Total	\$42,753,496
March 2002	<u>\$11,659,727</u>	Calendar Year Total	<u>\$34,494,380</u>
% Change	110.8%	% Change	23.9%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

Through March 2003, 30,103 documents have been received for a fiscal year-end of 2002, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	42	12,504	12,197	97	5,263
%	0.1	41.5	40.5	0.3	17.5

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through March 2002, the Arizona Department of Revenue received 32,081 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 6.2% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for March 2003 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	March 2003	March 2002	% change
Distribution Base	\$101,351,002	\$100,714,873	0.6
Non shared	189,178,101	190,451,163	(0.7)
Use Tax	14,462,780	13,369,984	8.2
Education Tax	35,335,914	34,758,195	1.7
Other Revenues	42,826,764	41,999,603	2.0
Total Collections	\$383,154,561	\$381,293,818	0.5

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$937,596,289	\$923,853,092	1.5
Non shared	1,789,559,958	1,773,903,079	0.9
Use Tax	139,995,603	117,351,470	19.3
Education Tax	333,361,064	327,048,590	1.9
Other Revenues	391,066,698	381,989,567	2.4
Total Collections	3,591,579,612	\$3,524,145,799	1.9

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	March 2003	March 2002	% change
Retained by State	\$238,596,840	\$238,557,713	0.0
Returned to Counties	41,057,292	40,799,591	0.6
Returned to Cities	25,337,751	25,178,716	0.6
Education Tax	35,335,914	34,758,195	1.7
Other	42,826,764	41,999,603	2.0
Total Collections	\$383,154,561	\$381,293,818	0.5

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$2,252,934,987	\$2,209,892,042	1.9
Returned to Counties	379,818,732	374,252,541	1.5
Returned to Cities	234,398,132	230,963,059	1.5
Education Tax	333,361,064	327,048,590	1.9
Other	391,066,698	381,989,568	2.4
Total Collections	\$3,591,579,612	\$3,524,145,799	1.9

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	March 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$244,788	25.9	\$2,054,770	5.5
Non-Metal Mining/Oil & Gas	3.125%	516,299	0.4	6,513,287	37.2
Utilities	5.6%	20,500,224	(9.1)	234,364,166	0.2
Communications	5.6%	11,807,486	(6.9)	109,600,278	1.1
Railroads/Aircraft	5.6%	67,414	(27.7)	(2,135,983)	N/A
Private Car/Pipelines	5.6%	13,741	(19.4)	392,215	89.6
Publishing	5.6%	500,149	2.7	4,973,178	91.2
Printing	5.6%	1,537,037	5.8	16,783,677	28.2
Restaurants/Bars	5.6%	28,377,469	1.5	241,656,152	4.0
Amusements	5.6%	3,359,992	(9.5)	28,193,855	7.8
Commercial Lease	0%	21,255	N/A	(94,282)	N/A
Rental of Personal Property	5.6%	13,802,365	(3.2)	124,608,212	(6.5)
Contracting	3.75% - 5.6%	44,699,994	(3.2)	430,687,357	(2.8)
Feed Wholesale	Repealed	(96)	N/A	(321)	96.0
Retail	5.6%	154,115,549	2.7	1,459,847,249	2.1
Mining Severance	2.5%	112,468	20.5	789,351	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	724	N/A	3,436	(74.8)
Hotel/Motel	5.5%	10,199,540	1.1	64,300,535	2.7
Membership Camping	5.6%	11,759	(44.1)	89,126	(15.8)
Use/Use Inventory	5.6%	14,462,780	8.2	139,995,603	19.3
Rental Occupancy Tax	3.0%	8,066	(46.5)	7,450	(94.0)
Jet Fuel Tax	\$.0305/\$.0105 gal	612,323	(12.6)	4,339,193	11.9
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	533,517	(1.5)	4,732,511	(2.5)
Poison Control Fund	----	197,328	(1.5)	1,750,381	(2.5)
911 Wireline/Excise	\$0.37 monthly per activated service	1,175,127	(5.2)	11,364,452	1.8
911 Wireless Service	\$0.37 monthly per activated service	796,734	35.8	7,189,183	45.0
Total		\$307,674,033	0.2	\$2,892,005,031	1.9

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	March 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,895,760	25.9	\$41,095,402	5.5
Non-Metal Mining/Oil & Gas	16,521,554	0.4	208,425,182	37.2
Utilities	410,004,487	(9.1)	4,687,283,319	0.2
Communications	236,149,716	(6.9)	2,192,005,559	1.1
Railroads/Aircraft	1,348,283	(27.7)	(42,719,661)	N/A
Private Car/Pipelines	274,821	(19.4)	7,844,300	89.6
Publishing	10,002,982	2.7	99,463,560	91.2
Printing	30,740,742	5.8	335,673,542	28.2
Restaurants/Bars	567,549,377	1.5	4,833,123,039	4.0
Amusements	67,199,836	(9.5)	563,877,100	7.8
Commercial Lease	1,961,943	N/A	(7,514,878)	N/A
Rental of Personal Property	276,047,292	(3.2)	2,492,164,247	(6.5)
Contracting	891,325,725	(3.5)	8,609,130,278	(2.9)
Feed Wholesale	(20,424)	N/A	(68,488)	96.0
Retail	3,082,310,984	2.7	29,196,944,987	2.1
Mining Severance	4,498,738	20.5	31,574,027	N/A
Timber Severance	0	N/A	473	(99.9)
Hotel/Motel	185,446,173	1.1	1,169,100,630	2.7
Membership Camping	235,178	(44.1)	1,604,414	(24.3)
Use/Use Inventory	288,493,176	8.4	2,509,364,260	7.5
Rental Occupancy Tax	268,872	(46.5)	248,347	(94.0)
Total	\$6,075,255,215	0.2	\$56,928,619,640	1.4

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In March 2003, 21,326,046 gallons of jet fuel were taxed, a 15.2% decrease from the 25,143,810 reported for March 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in March 2003 was \$1,946,506 a 2.9% increase from the \$1,891,987 claimed in March 2002. Accounting credits claimed-to-date in FY 02/03 equals \$13,052,026 a 1.9% increase from the \$12,812,922 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>March 2003</u>	<u>March 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$180,559,249	\$206,871,729	(12.7)
5311-5399	general merchandise stores	252,315,823	240,273,168	5.0
5411-5499	food stores (no food sales)	254,784,105	239,950,282	6.2
5511-5521	motor vehicle dealers	557,411,712	567,195,252	(1.7)
5531-5599	misc. automotive, motorcycle & boat stores	167,012,160	150,389,704	11.1
5611-5699	apparel & accessory stores	183,428,679	186,324,371	(1.6)
5712-5733	furniture, home furnishings & equipment stores	171,072,194	154,534,068	10.7
5912-5949	misc. retail stores	211,099,581	207,879,725	1.5
TOTAL		\$3,082,310,984	\$3,002,572,347	2.7

<u>SIC Code Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,728,525,593	\$1,678,469,367	3.0
5311-5399	general merchandise stores	2,424,044,368	2,581,276,660	(6.1)
5411-5499	food stores (no food sales)	2,363,826,636	2,231,152,648	5.9
5511-5521	motor vehicle dealers	5,389,836,447	5,600,261,459	(3.8)
5531-5599	misc. automotive, motorcycle & boat stores	1,475,501,585	1,396,909,509	5.6
5611-5699	apparel & accessory stores	1,857,196,179	1,771,830,662	4.8
5712-5733	furniture, home furnishings & equipment stores	1,513,513,520	1,465,176,675	3.3
5912-5949	misc. retail stores	1,998,427,012	1,993,713,890	0.2
TOTAL		\$29,196,944,987	\$28,587,235,562	2.1

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for March 2003 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$181,417	\$302,386	0.7	\$2,891,039	1.6
Cochise	1,598,336	764,237	1.9	6,915,161	2.8
Coconino	2,096,506	986,687	2.4	10,397,626	2.3
Gila	613,543	316,955	0.8	3,026,646	(1.0)
Graham	190,974	166,015	0.4	1,757,721	0.0
Greenlee	287,087	151,350	0.4	1,295,924	(4.3)
La Paz	296,505	133,580	0.3	1,124,684	0.7
Maricopa	68,453,634	26,408,498	64.3	243,644,000	0.9
Mohave	2,559,231	1,094,757	2.7	10,245,529	4.8
Navajo	1,308,716	629,804	1.5	6,271,641	4.6
Pima	15,564,358	6,276,697	15.3	57,667,334	1.4
Pinal	2,181,664	1,116,228	2.7	9,803,251	7.3
Santa Cruz	602,073	264,890	0.6	2,474,684	2.5
Yavapai	2,867,389	1,333,121	3.2	12,576,936	2.7
Yuma	2,549,569	1,112,087	2.7	9,726,556	3.3
Total	\$101,351,002	\$41,057,292		\$379,818,732	1.5

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for March 2003 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during March 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$62,423							
Cochise		\$461,675							
Coconino		\$631,552	\$378,703					\$152,815	
Gila	\$193,021	\$186,824							
Graham		\$59,227							
Greenlee		\$74,582							
La Paz		\$84,684	\$84,684				\$18,253		
Maricopa	\$21,367,912		\$7,865,737	\$477,482	\$6,822				\$1,975,322
Mohave		\$381,744							
Navajo		\$371,426							
Pima				\$136,342		\$29,520			
Pinal	\$718,951	\$703,216							
Santa Cruz		\$168,850							
Yavapai		\$874,173	\$348,548						
Yuma		\$733,995	\$733,569					\$716,572	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in March 2003. The table compares the receipts to March 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	March 2003	March 2002	% Change
Spirituos	\$1,695,900	\$920,016	84.3
Vinous	952,048	436,599	118.1
Malt	2,138,221	1,737,430	23.1
Cigarette	17,457,931	12,202,557	43.1
Other Tobacco	592,800	264,173	124.4
Tobacco Licenses	475	150	216.7
Total	\$22,837,375	\$15,560,925	46.8

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituos	\$16,353,277	\$15,281,749	7.0
Vinous	7,331,367	6,399,436	14.6
Malt	16,318,820	15,966,314	2.2
Cigarette*	140,038,766	115,045,785	21.7
Other Tobacco	3,762,707	2,639,466	42.6
Tobacco Licenses	3,175	2,500	27.0
Total	\$183,808,113	\$155,335,250	18.3

*Through March 2003, \$414,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	March 2003	FY (02/03)
Spirituos	\$1,187,130	\$11,447,294
Vinous	237,490	1,828,000
Malt	534,555	4,079,704
Cigarette	2,304,461	31,308,306
Other Tobacco	91,884	583,220
Tobacco Licenses	475	3,175
Total	\$4,355,995	\$49,249,699

Other dedicated revenues from luxury taxes:

	March 2003	FY (02/03)
Correction Fund revenues	\$2,263,214	\$19,582,824
Tobacco Tax & Health Care Fund ²	6,110,923	79,962,365
Tobacco Products Tax Fund ³	9,163,521	27,450,829
Wine Promotional Fund revenues	2,089	19,365
Drug Treatment & Education Fund revenues	674,585	5,398,277
Corrections Revolving Fund revenues	267,050	2,144,756

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	March 2003	\$3,370,760	Fiscal year To Date	\$77,895,948
	March 2002	<u>\$5,640,105</u>	Fiscal year To Date	<u>\$69,808,493</u>
% Change		40.2%	% Change	11.6%

Private Car

	March 2003	\$0	Fiscal year To Date	\$1,481,692
	March 2002	<u>\$0</u>	Fiscal year To Date	<u>\$1,509,625</u>
% Change		N/A	% Change	(1.9)

Bingo

	March 2003	\$38,147	Fiscal year To Date	\$461,289
	March 2002	<u>\$39,441</u>	Fiscal year To Date	<u>\$471,176</u>
% Change		(3.3%)	% Change	(2.1%)

Unclaimed Property

	March 2003	\$48,936	Fiscal year To Date	\$25,593,663
	March 2002	<u>\$439,821</u>	Fiscal year To Date	<u>\$32,201,420</u>
% Change		(88.9%)	% Change	(20.5%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2003 for Tax Year 2002
Through March 2003

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	375	0.4%	-\$6,289	\$0	13.5%	79.1%	5.8%	1.6%	23.5%	11.4%
\$0-\$5,000	17,421	20.4%	\$2,943	\$0	4.8%	73.6%	21.3%	0.3%	3.3%	30.2%
\$5,000-\$10,000	21,647	25.4%	\$7,419	\$19	8.0%	61.6%	29.7%	0.6%	4.6%	41.4%
\$10,000-\$15,000	14,369	16.8%	\$12,324	\$54	16.4%	37.6%	45.5%	0.6%	7.0%	60.4%
\$15,000-\$20,000	10,510	12.3%	\$17,364	\$106	23.5%	27.6%	48.0%	0.9%	7.1%	66.1%
\$20,000-\$25,000	6,682	7.8%	\$22,335	\$206	29.2%	25.9%	43.3%	1.5%	5.5%	66.5%
\$25,000-\$30,000	3,843	4.5%	\$27,341	\$337	33.1%	31.8%	33.6%	1.4%	6.5%	58.7%
\$30,000-\$40,000	4,295	5.0%	\$34,454	\$506	36.0%	32.6%	29.7%	1.7%	6.0%	55.2%
\$40,000-\$50,000	2,262	2.7%	\$44,498	\$741	45.3%	31.6%	21.4%	1.7%	7.6%	54.4%
\$50,000-\$75,000	2,590	3.0%	\$60,453	\$1,121	63.5%	21.1%	14.6%	0.8%	9.2%	55.0%
\$75,000-\$100,000	806	0.9%	\$85,096	\$1,767	74.5%	16.9%	7.6%	1.0%	8.9%	49.6%
\$100,000-\$200,000	505	0.6%	\$127,376	\$3,197	76.4%	17.1%	5.1%	1.4%	11.0%	46.2%
\$200,000-\$500,000	47	0.1%	272,059	9,354	70.2%	19.1%	8.5%	2.1%	6.4%	44.7%
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	85,354		\$16,143	\$180	18.7%	47.5%	33.0%	0.8%	5.6%	49.6%

* An asterisked line indicates that the information can not be released due to confidentiality laws.

NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001

Total	233,775	\$19,905	\$332	20.5%	57.1%	20.2%	2.2%	7.9%	34.3%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
March 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	2,548	Tolleson	44,122	4,974
<u>Cochise County</u>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<u>Mohave County</u>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,448	9,520
Globe	66,405	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,752	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,808

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
March 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,269,017	202,705
Eagar	\$25,248	4,033	Surprise	193,121	30,848
Springerville	12,346	1,972	Tempe	993,058	158,625
St. Johns	22,212	3,548	Tolleson	31,139	4,974
<u>Cochise County</u>			Wickenburg	31,815	5,082
Benson	29,493	4,711	Youngtown	18,844	3,010
Bisbee	38,126	6,090	<u>Mohave County</u>		
Douglas	103,441	16,523	Bullhead City	211,408	33,769
Huachuca City	10,962	1,751	Colorado City	20,872	3,334
Sierra Vista	236,487	37,775	Kingman	125,640	20,069
Tombstone	9,416	1,504	Lake Havasu City	262,549	41,938
Willcox	23,370	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	30,782	4,917
Flagstaff	331,138	52,894	Pinetop/Lakeside	22,425	3,582
Fredonia	6,486	1,036	Show Low	48,174	7,695
Page	42,627	6,809	Snowflake	27,921	4,460
Williams	17,792	2,842	Taylor	19,883	3,176
<u>Gila County</u>			Winslow	59,599	9,520
Globe	46,865	7,486	<u>Pima County</u>		
Hayden	5,584	892	Marana	84,866	13,556
Miami	12,120	1,936	Oro Valley	185,934	29,700
Payson	85,267	13,620	Sahuarita	20,296	3,242
Winkelman	2,773	443	South Tucson	34,370	5,490
<u>Graham County</u>			Tucson	3,046,936	486,699
Pima	12,452	1,989	<u>Pinal County</u>		
Safford	57,796	9,232	Apache Junction	199,169	31,814
Thatcher	25,179	4,022	Casa Grande	157,913	25,224
<u>Greenlee County</u>			Coolidge	48,744	7,786
Clifton	16,252	2,596	Eloy	64,952	10,375
Duncan	5,083	812	Florence	90,563	14,446
<u>La Paz County</u>			Kearny	14,080	2,249
Parker	19,658	3,140	Mammoth	11,031	1,762
Quartzsite	20,997	3,354	Superior	20,371	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	224,642	35,883	Nogales	130,705	20,878
Buckeye	53,195	8,497	Patagonia	5,515	881
Carefree	18,324	2,927	<u>Yavapai County</u>		
Cave Creek	23,339	3,728	Camp Verde	59,167	9,451
Chandler	1,105,470	176,581	Chino Valley	49,050	7,835
El Mirage	47,635	7,609	Clarkdale	21,423	3,422
Fountain Hills	126,679	20,235	Cottonwood	57,464	9,179
Gila Bend	12,396	1,980	Jerome	2,060	329
Gilbert	686,748	109,697	Prescott	212,466	33,938
Glendale	1,369,853	218,812	Prescott Valley	147,339	23,535
Goodyear	118,391	18,911	Sedona	63,806	10,192
Guadalupe	32,729	5,228	<u>Yuma County</u>		
Litchfield Park	23,852	3,810	San Luis	95,922	15,322
Mesa	2,481,471	396,375	Somerton	45,488	7,266
Paradise Valley	85,542	13,664	Wellton	11,450	1,829
Peoria	678,403	108,364	Yuma	485,276	77,515
Phoenix	8,270,285	1,321,045	TOTAL	\$25,337,751	4,047,298
Queen Creek	27,020	4,316			

*The Office of Economic Research & Analysis
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